



STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250  
(360) 664-1160 • TTY (360) 586-8203

Ref. No.: UT 4-1250  
WSP: November 2007

November 14, 2007

Ms. Karen Klocke  
SW Drinking Water Operations  
P.O. Box 47823  
Olympia, Washington 98504-7823

Dear Ms. Klocke:

Subject: Review and Comment, Olympic Water and Sewer, Inc.  
Water System Plan - Financial Program Review

Washington Utilities and Transportation Commission (commission) staff's review of the company's revised Water System Plan chapter 14 has been completed. Several items require reemphasizing for clarity.

1. Anything proposed in the financial program must be reviewed and approved by the UTC as a stand-alone item.
2. Water System Plan financial program is not a pre-approval by the UTC.

Commission staff has completed its review of the plan's financial program portion (chapter 14). Commission staff has found the revised six-year financial program proposed to be **feasible**. The company revised plan projects positive earnings. The plan now includes proposed rate changes to help ensure adequate funding to assist the utility in operations and capital improvements.

Additionally, commission staff considers this company to be financially **non-viable** at this time. This finding is based on several years of negative income and negative retained earnings. However if the plan projections are implemented, the company should be able to provide positive income and reverse negative retained earnings.

Regarding customer complaints and UTC compliance, staff found no complaints on this company in the last several years. Currently the company does not have any filings before the UTC. If you have any questions please contact me at [jward@wutc.wa.gov](mailto:jward@wutc.wa.gov) or 360-664-1250.

Sincerely,

Jim Ward  
Regulatory Analyst





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Ref. No.: UT 4-1250

WSP: September 07

September 20, 2007

Ms. Karen Klocke  
SW Drinking Water Operations  
P.O. Box 47823  
Olympia, Washington 98504-7823

Dear Ms. Klocke:

Subject: Review and Comment, Olympic Water and Sewer Water System  
Water System Plans - Financial Program Review

Washington Utilities and Transportation Commission (commission) staff's review of the company's Water System Plan has been completed. Several items require reemphasizing for clarity.

1. Anything proposed in the financial program must be reviewed and approved by the UTC as a stand-alone item.
2. Water System Plan financial program is not a pre-approval by the UTC.

Commission staff has completed its review of the plan's financial program portion (chapter 14). Commission staff has found the six-year financial program proposed to be **non-feasible**. The company projects negative earnings and does not discuss how to correct this situation. The plan does note that a review of rate structure will assist the utility to identify if changes are necessary.

Additionally, commission staff considers this company to be financially **non-viable** at this time. This finding is based on several years of negative income and retained earnings.

Regarding customer complaints and UTC compliance, staff's review found no complaints on this company in the last several years.

Currently the company does not have any filings before the UTC. If you have any questions please contact me at [jward@wutc.wa.gov](mailto:jward@wutc.wa.gov) or 360-664-1250.

Sincerely,

Jim Ward  
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